

## Message Text

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ACTION EUR-12

INFO OCT-01 AF-08 ARA-06 NEA-10 ISO-00 CIAE-00 DODE-00  
PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01  
SP-02 SS-15 USIA-06 EB-07 COME-00 TRSE-00 AID-05  
IGA-02 OMB-01 ACDA-07 MC-02 /106 W  
-----111357Z 004506 /65

R 111245Z JAN 77  
FM AMEMBASSY TEL AVIV  
TO SECSTATE WASHDC 4392  
INFO AMEMBASSY ANKARA  
AMEMBASSY ATHENS  
AMEMBASSY PRETORIA  
AMEMBASSY SANTIAGO  
AMCONSUL CAPTETOWN

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E.O. 11652: N/A  
TAGS: MASS, TU, GR, IS, SF  
SUBJECT: ALLEGED ISRAELI EXPORT OF AMERICAN TECHNOLOGY AND COMPONENTS

REF: A) ANKARA 168 (NOTAL); (B) STATE 3123 (NOTAL)

1. SUMMARY. IN COMMENTING ON CHRISTIAN SCIENCE MONITOR ARTICLE ISRAELI PRESS HAS EMPHASIZED DENIALS BY ISRAELI OFFICIALS THAT ISRAEL IS EXPORTING U.S. MILITARY EQUIPMENT AND TECHNOLOGY WITHOUT APPROVAL. NONETHELESS, PRESS SUGGESTS THAT GROWING ISRAEL MILITARY EXPORTS MAY WELL CAUSE PROBLEMS IN FUTURE. END SUMMARY.

2. DAVAR CORRESPONDENT IN WASHINGTON (BARNEA) REPORTED ON JANUARY 7 THAT THE STATE DEPARTMENT HAD WARNED ISRAEL THAT A REPORT WOULD BE SENT TO THE CONGRESS ACCUSING ISRAEL OF SELLING U.S. TECHNOLOGY TO FOREIGN COUNTRIES WITHOUT PRIOR APPROVAL FROM U.S. THE AMERICAN CONCERN WAS SAID TO  
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CENTER ON THE REPORTED SALE OF SOPHISTICATED ISRAELI ARMS SUCH AS SHFRIR MISSILES TO CHILES AND SOUTH AFRICA. ISRAEL MAINTAINS THAT SUCH EQUIPMENT IS NOT BASED ON EXCLUSIVE AMERICAN TECHNOLOGY AND THEREFORE NOT SUBJECT TO U.S. APPROVAL.

3. MAARIV REPORTED ON JANUARY 7 DENIAL BY ISRAELI MFA

SPOKESMAN THAT ISRAEL IS SELLING SOPHISTICATED ELECTRONIC EQUIPMENT TO GREECE OR TURKEY. THE YEDIOT AHARONOT CORRESPONDENT IN WASHINGTON (KIVITI) QUOTED THE SPOKESMAN OF THE ISRAELI EMBASSY IN WASHINGTON AS STATING THAT ISRAEL HAD NEVER DECEIVED THE U.S. NOR EXPORTED AMERICAN ARMS OR ISRAELI ARMS BASED ON U.S. COMPONENTS OR TECHNOLOGY WITHOUT OBTAINING PERMISSION.

4. THE MAARIV CORRESPONDENT IN ISTANBUL JAN 9 QUOTED ISRAELI DIPLOMAT IN TURKEY AS ASSERTING THAT ISRAEL HAD NOT EXPORTED ANY MILITARY EQUIPMENT TO TURKEY. ACCORDING TO WELL-INFORMED SOURCES IN ANKARA, THE TURKISH MILITARY HAD EXAMINED THE POSSIBILITY OF PURCHASING CERTAIN TYPES OF EQUIPMENT FROM ISRAEL, AND CONTACTS HAVE BEEN HELD WITH ISRAELI MANUFACTURERS, BUT NO ORDERS HAD YET BEEN PLACED. TURKISH OFFICIALS DID NOT EXCLUDE THE POSSIBILITY OF TURKEY PURCHASING ARMS FROM ISRAEL IN THE FUTURE. TURKEY, HOWEVER, PREFERRED TO AVOID SUCH TRANSACTIONS BECAUSE OF ITS EFFORTS TO IMPROVE ITS RELATIONS WITH THE ARABS.

5. THE MAARIV CORRESPONDENT IN ATHENS ALSO REPORTED ON JANUARY 9 THAT GREEK AIR FORCE PLANES REGULARLY RECEIVE MAINTENANCE SERVICES IN ISRAEL, BUT GREEK AUTHORITIES WERE SAID TO DENY THAT THEY HAD PURCHASED ELECTRONIC EQUIPMENT IN ISRAEL WHICH THE U.S. HAD REFUSED TO SELL. THE CORRESPONDENT STATED THAT THE DENIAL SHOULD BE ACCEPTED AT FACE VALUE BECAUSE "ISRAEL AND GREECE ARE NOT ACCUSTOMED TO DISCUSSING MILITARY TRANSACTIONS IN LIMITED OFFICIAL USE

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PUBLIC."

6. THE COMMUNIQUE ISSUED AFTER MEETING OF ISRAELI CABINET ON JANUARY 9 CONTAINED THE FOLLOWING SUBJECT: "THE MINISTER OF DEFENSE REVIEWED SECURITY MATTERS, WITH THE CABINET SITTING AS A MINISTERIAL DEFENSE COMMITTEE. THE DEFENSE MINISTER ADDRESSED HIMSELF, INTER ALIA, TO REPORTS IN AMERICAN NEWSPAPERS REGARDING ISRAELI DEFENSE EXPORTS WHICH, SUPPOSEDLY WITHOUT PERMISSION, WERE MAKING USE OF AMERICAN KNOWHOW AND PRODUCTS. IN ITS EXPORT POLICY, WHICH IS BASED ON THE PRINCIPLE OF FREE COMPETITION, ISRAEL REFRAINS FROM ADVERSELY AFFECTING THE INTERESTS OF FRIENDLY STATES. AND, INDEED, THERE HAS BEEN NO CONTENTION ON THE PART OF AUTHORIZED PERSONS IN THE U.S. AGAINST ISRAEL REGARDING ANY INJURY WHATSOEVER DONE AMERICAN INTERESTS BECAUSE OF ISRAELI DEFENSE EXPORTS. FAITHFUL TO THE AGREEMENT WITH ITS CUSTOMERS, ISRAEL PAYS STRICT HEED NOT TO PUBLISH TYPES OF QUANTITIES OF THE PRODUCTS IT EXPORTS, JUST AS IT DOES NOT PUBLISH

THE IDENTITY OF ITS CUSTOMERS. THE DEFENSE MINISTER DID STRESS, HOWEVER, THAT ISRAEL HAD NOT SOLD ANY OF THE PRODUCTS MENTIONED IN THE REPORTS TO THE CUNTRIES MENTIONED IN THE PRESS AS CUSTOMERS OF ISRAELI DEFENSE EXPORTS. THE ISRAELI DEFENSE EXPORTS HAD NOT INCLUDED COMPONENTS OF AMERICAN MANUFACTURE REQUIRING A PERMIT ACCORDING TO THE LINKAGE AGREEMENT BETWEEN ISRAELI AND AMERICAN MANUFACTURERS."

7. COMMENT: SINCE ISRAEL'S ADVANCED INDUSTRY IS HEAVILY DEPENDENT UPON IMPORTED (MAINLY U.S.) COMPONENTS AND TECHNOLOGY, MOST SOPHISTICATED ARMS AND MILITARY EQUIPMENT PRODUCED HERE CAN BE ASSUMED TO HAVE U.S. CONTENT TO SOME DEGREE. MOST OF THE LARGER ISRAELI FIRMS PRODUCE UNDER LICENSING AGREEMENTS OR JOINT VENTURES WITH AMERICAN COMPANIES, AND THE TERMS OF THESE AGREEMENTS PRESUMABLY COVER THE QUESTION OF EXPORT TO LIMITED OFFICIAL USE

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THIRD COUNTRIES. AS FOR PRODUCTS WHICH FALL UNDER U.S. EXPORT CONTROLS, BECAUSE OF U.S. COMPONENTS OR TECHNOLOGY, ISRAELI OFFICIALS MAINTAIN (FOR EXAMPLE, WHEN ASKED BY U.S. CODELS) THAT APPROVAL FOR EXPORT IS OBTAINED "IN WASHINGTON" WHEN NECESSARY. THIS EMBASSY HAS NOT BEEN INVOLVED IN ANY REQUESTS FOR APPROVAL TO EXPORT AND IS THEREFORE UNABLE TO CONFIRM THAT THE NECESSARY APPROVALS HAVE BEEN OBTAINED.  
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## Message Attributes

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